This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2319

LISTED OCTOBER 30, 1968
10,000,000 shares of $2 par value
Stock symbol "DNX"
Post section 9.1
Dial quotation No. 2135

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

DYNASTY EXPLORATIONS LIMITED

Incorporated under the British Columbia Companies Act
by Registration of Memorandum and Articles of Association, 23 April, 1964

1. Address of the Company's Head Office and other offices:

   Head Office: #330 - 355 Burrard Street, Vancouver 1, B.C.;
   Registered Office: #801 - 900 West Hastings Street, Vancouver 1, B.C.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Aaro Emil Aho	2855 Marine Drive West Vancouver, B.C.	Consulting Geological Engineer
Executive Vice President	R. E. Gordon Davis	5555 Balsam Street Vancouver 13, B.C.	Geological Engineer
Vice-President	Ronald Victor Markham	4715 Drummond Drive Vancouver 8, B.C.	Mining Executive
Secretary	John Bruk	890 Greenwood Road West Vancouver, B.C.	Barrister and Solicitor
Treasurer	Gordon King Allan	3207 Colwood Drive North Vancouver, B.C.	Accountant
Assistant Treasurer and Assistant Secretary	Selwyn Jones	1598 Elinor Cresc. Port Coquitlam, B.C.	Corporate Secretary

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Aaro Emil Aho	2855 Marine Drive West Vancouver, B.C.	Consulting Geological Engineer
R. E. Gordon Davis	5555 Balsam Street Vancouver 13, B.C.	Geological Engineer
Ronald Victor Markham	4715 Drummond Drive Vancouver 8, B.C.	Mining Executive
John Bruk	890 Greenwood Road West Vancouver, B.C.	Barrister and Solicitor
H. Richard Whittall	6288 Macdonald Street Vancouver 13, B.C.	Executive

4. Names and addresses of all transfer agents:

Guaranty Trust Company of Canada at its principal offices at Vancouver, British Columbia (624 Howe Street), Calgary, Alberta (311 8th Avenue S.W.); Toronto, Ontario (356 Bay Street); Montreal Quebec (600 Dorchester Boulevard)

5. Particulars of any fee charged upon transfer other than customary government taxes:

50¢ for each new share certificate issued on any transfer of shares of the Company.

6. Names and addresses of all registrars:

Guaranty Trust Company of Canada, 624 Howe Street, Vancouver, British Columbia

7. Amount of authorized capital: $20,000,000

8. Number of shares and par value: 10,000,000 shares — $2 par value

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	No. of Shares	Brief description of the properties or other assets and the aggregate consideration thereof, expressed in cash, shares, etc.
January, 1965	750,000	Issued as total consideration for 587 mineral claims situate in Whitehorse Mining District, Yukon Territory. Theese claims were transferred in January, 1965 to Anvil Mining Corporation in which the Company has a 40% interest.
January, 1965	62,300	Issued in lieu of salary to Officers for administration services rendered.
April, 1965	15,000	Issued for administrative services and consulting services rendered.
April, 1965	8,000	Issued to employees in lieu of overtime wages.
Total	835,300	

10. Full details of all shares sold for cash.

DATE	NUMBER OF SHARES	PRICE PER SHARE	AMOUNT REALIZED BY COMPANY
1964	110,000	.08	$ 8,800
1965	647,700	.40	258,080
1965	622,000	$ 1.00	622,000
1965	187,500	8.8284	1,655,325
1967	75,400*	1.00	75,400
1968	260,000**	2.00	540,000
Total	1,902,600		$3,159,605

*Issued for $1 per share cash and covenants given by Cyprus Mines Corporation with respect to the financing of Anvil Mining Corporation Limited.

**Issued as part of units consisting of these shares and of the 7% Convertible Collateral Income Debentures of the Company referred to in Item 25.

11. Total number of shares issued:	2,737,900 shares
12. Number of shares unissued:	7,262,100 shares
13. Particulars of any issued shares repurchased and held in the treasury of the Company.	Nil
14. Date of last annual meeting.	29 March, 1968
15. Date of last report to shareholders.	30 August, 1968

16.	Details of any unissued shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.	None
17.	Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	None
18.	Details of any payments in cash or securities of the Company made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
19.	Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.	None
20.	Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable
21.	Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	See below

Name and Address of Shareholder	Number of Shares Held
*Bongard Leslie and Co. Ltd. 20 King Street West Toronto. Ontario	140,635
Creator Holdings Ltd. 801-900 West Hastings Street Vancouver 1, B.C.	193,050
Cyprus Mines Corporation 523 West 6th Street Los Angeles, California	160,000
*Doherty, Roadhouse and McCuaig Bros. 335 Bay Street Toronto, Ontario	153,685
**Guaranty Trust Company of Canada 624 Howe Street Vancouver 1, B.C.	260,000

*It is not within the knowledge of the Company or its Directors whether Bongard Leslie and Co. Ltd. and Doherty Roadhouse and McCuaig Brothers hold the above listed shares in the Company for their own benefit or for the benefit of others.

**Guaranty Trust Company of Canada is holding 260,000 shares for the benefit of the holders of the Company's 7% Convertible Collateral Income Debentures. These shares will be distributed to the beneficial owners on or before 1 November 1968.

22.	Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company.	No person or group of persons has large enough shareholdings to materially affect control of the Company. However, the Directors of the Company by solicitation of proxies from shareholders may be in a position to effect the control of the Company.
23.	Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	(a) Prospectus dated 10 February 1965 issued with respect to the primary distribution of 200,000 shares of the Company at $1 per share — approved by the B.C. Securities Commission; (b) Prospectus dated 29 March 1968 with respect to primary distribution of 7% Convertible Collateral Income Debentures of the Company in principal amount of $6,500,000 together with 260,000 shares of the Company at $2 per share — approved by the Securities Commissions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and New Brunswick.

24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	No
25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	The Company has issued and outstanding its 7% Convertible Collateral Income Debentures in the principal amount of $6,500,000. Interest accrues on these Debentures from date of issue, but payment of interest is subject to the availability of net cash income of the Company. Each $1,000 principal amount of Debentures is convertible into 80 fully paid and non-assessable shares of the Company at any time until 1 April, 1975 or until such later date at which at least one full year's interest on the Debentures has been paid.
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The following are the investments held by the Company: (see table below)

Investment	Cost	Market (6 September, 1968)
Anvil Mining Corporation Limited — 7½% Income Bonds Series D	$6,070,750	Not quoted
Anvil Mining Corporation Limited — 7½% General Mortgage Bonds Series C	$ 250,000	Not quoted
Anvil Mining Corporation Limited — 600,000 shares	$ 375,958	Not quoted
Atlas Explorations Limited (N.P.L.) — 400,166 shares	$1,446,620	$1,040,432
Paramount Mining Corporation Ltd. (N.P.L.) — 72,300 shares	$ 61,124	$ 56,394
Westrim Mining Corporation Ltd. — 135,000 shares	$ 19,000	Not quoted
Atlas Explorations Limited (N.P.L.) — Loan of $500,000 repayable within 12 months, bearing interest at 7½%. The Company has an option to convert this loan into shares of Atlas at $2.50 per share.		

27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held. Give particulars of title held by the Company in each instance, (*e.g.* patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)	None
28. Full particulars of any royalties or other charges payable upon production from each individual property.	Not applicable
29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.	None

30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	None
31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.	No
32. Describe plant and equipment on property or properties.	None
33. Describe all development accomplished and planned.	The mineral properties which the Company originally held and developed were transferred in December, 1965 to Anvil Mining Mining Corporation Limited pursuant to a joint venture agreement between the Company and Cyprus Mines Corporation, a New York Corporation with general offices at Los Angeles, California (for further details see paragraph 41 following). The Company will continue to engage in mineral exploration as prospects are brought to its attention, but no specific project is under way at this time.
34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.	None
35. Full particulars of production to date.	Not applicable
36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.	None
37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Lawrence & Shaw, #801 - 900 West Hastings Street, Vancouver 1, British Columbia
38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	Yes — Vancouver Stock Exchange;
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so, give particulars.	No
(c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.	No

39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	The following are the principal businesses in which each Officer and Director of the Company has been engaged during the past five years:

Officer or Director	Principal Business
Aaro Emil Aho, President and Director	Dr. Aho has been President and Chief Executive Officer of the Company since its incorporation on 23 April 1964. He has also served as president of Atlas Explorations Limited (N.P.L.), a British Columbia public company, since its incorporation on 9 November, 1965. Prior to the incorporation of the Company Dr. Aho practiced privately as a Consulting Geological Engineer.
R. E. Gordon Davis Executive Vice-President and Director	Mr. Davis has been an Officer of the Company from its incorporation and is presently Executive Vice-President. Mr. Davis has also served as Vice-President of Atlas Explorations Limited (N.P.L.) since its incorporation. Prior to 1964, Mr. Davis was employed as a Geological Engineer with a private prospecting syydicate in Yukon Territory.
Ronald Victor Markham Vice-President and Director	Mr. Markham has been an Officer of the Company from its incorporation and is presently a Vice-President. He has also served as Vice-President of Atlas Explorations Limited (N.P.L.) since its incorporation. Prior to the incorporation of the Company Mr. Markham was an Officer of Silver Titan Mines Limited (N.P.L.), a public British Columbia company.
John Bruk Secretary and Director	Mr. Bruk has served as secretary of the Company since 12 May, 1967. He has practiced as a Barrister and Solicitor for more than five years and has been a partner with the law firm of Lawrence & Shaw, Vancouver, British Columbia, for five years.
H. Richard Whittall Director	Mr. Whittall has been a partner with Richardson Securities of Canada from September 1, 1966. Prior to that date Mr. Whittall was President of Norman R. Whittall Associates Limited.
Gordon King Allan Treasurer	Mr. Allan has been an Officer of the Company and of Atlas Explorations Limited (N.P.L.) from 1 January, 1966 and is presently Treasurer of both the Company and Atlas. Prior to 1 January, 1966 Mr. Allan was employed with the Department of National Revenue.
Selwyn Jones	Mr. Jones has been an Officer of the Company and of Atlas Explorations Limited (N.P.L.) from 7 August, 1967. From October, 1966 to March. 1967 he was Manager of Office Services for International Power and Engineering Company Limited in Vancouver, British Columbia and prior to October, 1966 he was Corporate Secretary for Prudential Finance Corporation Limited.

40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing. Except for management contracts, do not include particulars of any contract entered into in the ordinary course of business carried on or intended to be carried on by the Company.	(a) Master Agreement dated 4 December, 1965 among Anvil Mining Corporation Limited, the Company and Cyprus Mines Corporation providing for organization and financing of Anvil Mining Corporation Limited; (b) Supplements to the aforesaid Master Agreement dated 4 December, 1965, 28 June, 1967 and 27 September, 1967; (c) Agreement dated 28 December, 1967 between the Company and Atlas Explorations Limited (N.P.L.) pursuant to which $500,000 lent to Atlas Explorations Limited (N.P.L.) by the Company may be converted into common shares of Atlas at the ratio of one share for each $2.50 loaned.
41. Any other material facts not disclosed in the foregoing.	The Company does not directly own mineral properties. However, it does hold 600,000 shares of Anvil Mining Corporation Limited (see Item 26) which represents 40% of the issued shares of that Company and through this investment the Company has a substantial interest in Anvil's Faro Number 1, Faro Number 2, and Faro Number 3 ore bodies which have an estimated total assured ore reserves of 63,455,000 tons averaging in excess of 9% combined lead and zinc and in excess of 1 ounce of silver per ton. These ore bodies are presently being readied for production and initial production is expected in September, 1969. A copy of the Ralph M. Parsons Construction Co. of Canada Ltd. feasibility study is on file with the Toronto Stock Exchange.

FOR USE ONLY IN THE PROVINCES OF BRITISH COLUMBIA, ALBERTA, MANITOBA, SASKATCHEWAN, ONTARIO, NOVA SCOTIA AND NEW BRUNSWICK

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. This prospectus is not, and under no circumstances is to be construed as, a public offering of these securities for sale in the United States of America or the territories or possessions thereof.

NEW ISSUE:

DYNASTY EXPLORATIONS LIMITED

(Incorporated under the laws of the Province of British Columbia)

$6,500,000

7% Convertible Collateral Income Debentures

To be dated the date of issue **To mature April 1, 1982**

260,000 Shares

(Of $2.00 Par Value Each)

Offered in Units, each to consist of a
$1,000 7% Convertible Collateral Income Debenture and 40 Shares

Principal and Interest: Principal and interest on the 7% Convertible Collateral Income Debentures (Debentures) payable in lawful money of Canada at the holders' option at any branch in Canada of the bankers of Dynasty Explorations Limited (Dynasty). Both interim and definitive Debentures to be issued in fully registered form in denominations of $1,000 and authorized multiples thereof. Debentures will be redeemable at the principal amount thereof plus accrued interest as described on page 7 of this prospectus.

Income Feature: Interest on the Debentures will accrue from date of issue but payment thereof will be subject to the availability of Net Cash Income of Dynasty as described on page 6 hereof.

Conversion Privilege: Each $1,000 principal amount Debenture will be convertible as described on pages 6 and 7 hereof, into 80 fully paid and non-assessable shares of Dynasty.

Retirement Fund: Dynasty will covenant to establish a Retirement Fund for the retirement of Debentures and to make payments to the Trustee as described on page 7 hereof.

Listing of Shares: The shares of Dynasty are listed on the Vancouver Stock Exchange; the closing bid and ask price thereof on March 29, 1968 was $8.10 bid, $8.15 asked.

Price: $1,000 per Unit Flat

	Price to Public	Underwriting Commission	Proceeds to Company (1)
Per Unit	$1,000	$50	$950
	$6,500,000	$325,000	$6,175,000

(1) Before deduction of estimated expenses of $40,000

THESE ARE SPECULATIVE SECURITIES since Dynasty's ability to pay principal and interest on the Debentures included in the Units offered hereby will be subject to the receipt by Dynasty of interest on and principal of the Bonds of Anvil Mining Corporation Limited described on page 5 hereof, payment of which is deferred to the prior repayment of Bank loans and certain advances and expenditures as described on page 17 hereof. The estimates of cash flow which will generate these receipts are based upon engineering projections as described on pages 19 and 20 hereof. Reference is also made to the heading Promoters on page 5 hereof under which is discussed the number and value of shares issued by Dynasty in acquisition of properties.

We, as principals, offer these Units, subject to prior sale, if, as and when issued and received by us and subject to the approval of all legal matters on behalf of Dynasty by Messrs. Lawrence & Shaw, Vancouver, and on our behalf by Messrs. Douglas, Symes & Brissenden, Vancouver.

It is expected that fully registered interim Debentures representing the Units offered by this prospectus will be ready for delivery on or about May 1, 1968. These interim Debentures will be exchangeable at the option of Dynasty at any time after August 1, 1968 and in any event prior to November 1, 1968 for Debentures in definitive form and separate share certificates.

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(All dollar amounts are expressed in Canadian funds unless otherwise stated.)

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION OF PURCHASERS IN ONTARIO, SASKATCHEWAN, ALBERTA AND BRITISH COLUMBIA

The attention of purchasers in the Provinces of Ontario, Alberta and Saskatchewan of any of the securities offered by this prospectus is drawn to certain provisions of relevant legislation, namely: The Securities Act, 1966 (Ontario), The Securities Act, 1967 (Alberta) and The Securities Act, 1967 (Saskatchewan), which provide such purchasers with:

(a) the right to withdraw from any agreement of purchase if written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus is received by the purchaser or his agent; and

(b) the right to rescind the agreement of purchase by institution of legal proceedings within 90 days from the later of the date of receipt of the prospectus or amended prospectus by the purchaser or his agent or the date of the agreement of purchase, if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

The full text of the respective statutory provisions summarized above are contained in Sections 63 and 64 of The Securities Act, 1966 (Ontario), Sections 63 and 64 of The Securities Act, 1967 (Alberta) and Sections 70 and 71 of The Securities Act, 1967 (Saskatchewan).

Sections 61 and 62 of The Securities Act, 1967 (British Columbia) provides in effect, that where a security is offered to the public in the course of primary distribution:

(a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with The British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.

(b) A purchaser has the right to rescind a contract for the purchase of such security while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act of British Columbia for the complete text of the provisions under which the rights of purchasers in British Columbia are concerned.

DYNASTY

Dynasty Explorations Limited (Dynasty) was incorporated pursuant to the provisions of the Companies Act of British Columbia by registration of Memorandum and Articles of Association on April 23, 1964. Dynasty's Memorandum and Articles of Association have been amended from time to time by Certificates of the Registrar of Companies of British Columbia, including the Certificate of January 26, 1966, which increased the capital of Dynasty from $5,000,000 divided into 10,000,000 shares of 50¢ par value each to $20,000,000 divided into 10,000,000 shares of $2.00 par value each. The address of the head office and principal office of Dynasty is 330 Marine Building, 355 Burrard Street, Vancouver 1, British Columbia, and its registered office is at 801 Bank of Canada Building, 900 West Hastings Street, Vancouver 1, British Columbia.

Since its incorporation Dynasty has engaged in mineral exploration primarily in Yukon Territory and as a result of such exploration, had acquired by purchase and staking approximately 800 mineral claims in the Whitehorse Mining District of Yukon Territory by March, 1965. On March 31, 1965, Dynasty entered into a Joint Venture Agreement (Joint Venture) with Cyprus Mines Corporation (Cyprus), a New York corporation with general office at Los Angeles, California, pursuant to which Cyprus agreed to finance further exploration on the aforesaid mineral claims. The exploration efforts of the Joint Venture during the 1965 exploration season led to the acquisition by staking of approximately 1,600 additional mineral claims, and to the discovery of the Faro lead-zinc ore bodies. Pursuant to the Joint Venture Agreement, Anvil Mining Corporation Limited (Anvil) was incorporated and organized under the Companies Act of British Columbia on December 1, 1965, both to continue with an accelerated exploration program on Joint Venture properties and to place the Faro ore bodies into production. All the Joint Venture assets, including mineral properties, were transferred to Anvil in consideration for which Cyprus and Dynasty received 900,000 and 600,000 fully paid and non-assessable shares respectively of the capital of Anvil representing 60% and 40% respectively, of the issued capital of Anvil. Such mineral claims are located approximately 130 air miles northeast of Whitehorse in Yukon Territory. Anvil's assured ore reserves in the Faro ore bodies are approximately 63,470,000 tons and a 5,500 ton per day mill is scheduled to be completed by July, 1969, all as described under the heading Anvil.

In order to maintain and render non-assessable its 40% equity interest in Anvil, Dynasty must, before June 1, 1968, provide $5,600,000 (U.S.) for the financing of Anvil, for which Dynasty will receive $5,600,000 (U.S.) principal amount of 7½% Income Bonds Series D, of Anvil, which bonds are more specifically described under the heading Anvil. To the extent that Dynasty should provide less than the whole of the said $5,600,000 (U.S.) within the time permitted to them, its equity share interest in Anvil will be reduced pro rata from 40% to 30%.

Dynasty is continuing to engage in mineral exploration and is presently an equal partner in a joint venture involving exploration of an area of known copper mineralization on Prince of Wales Island in Southern Alaska. Dynasty's other interests include 400,167 shares or approximately 11% of the outstanding shares of Atlas Explorations Limited (N.P.L.) (Atlas). Atlas, directly or through subsidiaries, is engaged in mineral exploration in Yukon Territory, Chile and Australia, operates a copper mine in Chile and is engaged in natural gas exploration on Lake Erie. The directors of Dynasty described under the heading Directors and Officers are directors of Anvil which has a board of directors of nine, and are also the directors of Atlas.

PLAN OF DISTRIBUTION

By an agreement dated March 29, 1968, Dynasty has agreed to sell and Richardson Securities of Canada, as underwriter, acting on its own behalf as principal, has agreed to purchase the Units comprising $6,500,000 principal amount of Debentures and 260,000 shares in the capital of Dynasty to be offered by this prospectus for the total cash consideration of $6,175,000 payable against delivery on or about May 1, 1968, if, as and when issued and subject to compliance with the necessary legal

formalities and to the terms and conditions stated in the said agreement. The underwriter is committed to take up and pay for all of the Units subject to the terms, conditions and provisions of the said agreement.

USE OF PROCEEDS

The net proceeds of $6,175,000 (without deduction of estimated expenses of $40,000 which will be paid for out of the funds of Dynasty) to be derived from the sale of the Units will be paid to Guaranty Trust Company of Canada, the Trustee under the Trust Deed as hereinafter defined, at its principal office at Vancouver, British Columbia, to be applied by the Trustee to the extent of approximately $6,054,000 to the purchase of $5,600,000 (U.S.) principal amount of 7½% Income Bonds Series D, of Anvil. Such purchase will satisfy Dynasty's obligation to provide $5,600,000 (U.S.) for the financing of Anvil and enable Dynasty to maintain and render non-assessable its 40% equity interest in Anvil. The net proceeds remaining after completion of such purchase will be paid to Dynasty and will be added to Dynasty's working capital and used primarily to finance mineral exploration.

DIRECTORS AND OFFICERS

The names and home addresses of the directors and officers of Dynasty and the positions that they presently hold are as follows:

Dr. Aaro Emil Aho	2855 Marine Drive West Vancouver, B.C.	Chairman of the Board, President and Director
Ronald Victor Markham	4715 Drummond Drive Vancouver 8, B.C.	Vice-President—Finance and Director
Robert Ernest Gordon Davis	5555 Balsam Street Vancouver 13, B.C.	Vice-President—Exploration and Director
John Bruk	890 Greenwood Road West Vancouver, B.C.	Secretary and Director
Gordon King Allan	3207 Colwood Drive North Vancouver, B.C.	Comptroller

Dr. Aho has been President and chief executive officer of Dynasty since its incorporation. He has also served as President of Atlas since its incorporation on November 9, 1965. Prior to the incorporation of Dynasty, Dr. Aho practiced as a consulting geological engineer engaged primarily in Yukon Territory.

Mr. Markham was Secretary and Managing Director of Dynasty from incorporation until December 21, 1966, and since then has served as Vice-President—Finance. He has also served as Vice-President of Atlas since its incorporation. Prior to that date Mr. Markham was an officer of Silver Titan Mines Limited (N.P.L.).

Mr. Davis was Exploration Manager of Dynasty from its incorporation to December 21, 1966, and has been Vice-President—Exploration since that date. He has also served as Vice-President of Atlas since its incorporation. Prior to 1964, Mr. Davis was employed as a geological engineer with the Francis River Syndicate and with Dr. Aho, and prior to May, 1963, was a geological engineering student at the University of British Columbia.

Mr. Bruk has served as Secretary of Dynasty since May 12, 1967. He has practiced as a Barrister and Solicitor for more than five years and for the past four years has been a partner of the firm of Lawrence & Shaw of Vancouver, British Columbia.

Mr. Allan has served as Comptroller for Dynasty and for Atlas since January 1, 1966. Prior to that date he was with the Department of National Revenue.

No director of Dynasty has received remuneration in such capacity since the incorporation of Dynasty and Dynasty does not intend to remunerate its directors during the ensuing year.

The aggregate remuneration paid by Dynasty to its directors in their capacities as officers, to its senior officers and to Aaro E. Aho Limited, R. E. Gordon Davis Limited, Mutual Pacific Investments Limited, Raymond L. DeProy Limited and Allan Kulan Limited, consulting companies controlled by directors and officers during its last completed fiscal year ended December 31, 1967, was $19,745 and during the period January 1, 1968 to February 29, 1968 was $1,350. The aggregate remuneration estimated to be paid or payable by Dynasty to its directors in their capacities as officers, to its senior officers and to the aforesaid consulting companies during its current fiscal year ending December 31, 1968, is estimated to be $12,000. Mr. Allan Kulan, principal shareholder of Allan Kulan Limited was formerly a director and Mr. Raymond L. DeProy, principal shareholder of Raymond L. DeProy Limited was formerly an officer of Dynasty.

The Articles of Association of Dynasty provide as follows with respect to the remuneration of directors:

"The Directors shall be entitled to receive out of the funds of the Company by way of remuneration for their services, such sums as the Directors may from time to time determine."

As of February 29, 1968, all the directors and senior officers of Dynasty owned of record or beneficially, directly or indirectly, approximately 13% of the shares of Dynasty.

CAPITALIZATION

	Authorized	Outstanding December 31, 1967	Outstanding February 29, 1968	To be Outstanding on Completion of this Financing
LONG TERM DEBT				
7% Convertible Collateral Income Debentures (1)	$ 6,500,000	Nil	Nil	$6,500,000
SHORT TERM DEBT				
Bank Credit (2)	$200,000	$200,000	$200,000	$200,000
CAPITAL STOCK				
Shares of $2 par value each	$20,000,000 (10,000,000 shares) (3)	$1,174,350 (2,477,900 shares)	$1,174,350 (2,477,900 shares)	$1,694,350 (2,737,900 shares)

(1) Offered by this prospectus and more fully described on pages 5 to 8 hereof.

(2) Dynasty's bank credit is evidenced by a demand promissory note and secured by pledge of 150,000 shares of Atlas.

(3) 520,000 shares will be reserved for conversion of the Debentures.

The following securities of Dynasty have been sold by Dynasty to date for cash:

Designation of Security	Number of Shares Sold	Price	Commission	Proceeds to Dynasty
Shares	110,000	8¢/share	Nil	$ 8,800
Shares	637,700	40¢/share	Nil	$ 255,080
Shares	707,400*	$1/share	Nil	$ 707,400
Shares	187,500	$8.8284/share	Nil	$1,655,325
	1,642,600			$2,626,605

*During the twelve months preceding the date of this prospectus, 75,400 shares of Dynasty were sold to Kicking Horse Forest Products, Ltd., a wholly-owned subsidiary of Cyprus pursuant to two Agreements,

one dated June 28, 1967, and the other dated September 27, 1967, and both made among Dynasty, Cyprus and Anvil. In addition, on December 14, 1966, 10,000 shares of Dynasty were sold to Kicking Horse Forest Products, Ltd. pursuant to the Supplemental Agreement of December 4, 1965, referred to under the heading Material Contracts. The cash consideration received for these shares was $1 per share.

85,300 shares of Dynasty have been issued to date for services, the majority of such shares having been issued to employees in lieu of salaries and as bonuses.

No person or company owns of record or beneficially, directly or indirectly, more than 10% of the outstanding shares of Dynasty.

PROMOTERS

Dr. Aaro E. Aho and Messrs. Ronald V. Markham and R. E. Gordon Davis are promoters of Dynasty in that they took the initiative in the founding and organizing of Dynasty. Dr. Aho and Mr. Markham were two members of a syndicate which together with Mr. Davis sold to Dynasty pursuant to Agreement of December 10, 1964, 587 mineral claims situate in the Whitehorse Mining District which claims form the basis of the Anvil property.

In consideration for their interest in the aforesaid claims Dr. Aho and Messrs. Markham and Davis received respectively 122,700, 96,500 and 70,500 shares in the capital stock of Dynasty out of 750,000 shares issued by Dynasty for these claims. At the time of the acquisition of these claims by Dynasty they had no proven value and, in accordance with accepted practice Dynasty issued 750,000 shares of its capital stock for these claims at the arbitrary value of 10¢ per share. These claims were prospected and staked by the syndicate and Mr. Davis at a cost of approximately $21,296.

DESCRIPTION OF THE DEBENTURES AND CERTAIN PROVISIONS OF THE TRUST DEED

Dynasty and Guaranty Trust Company of Canada (Trustee) propose to execute and deliver a Deed of Trust and Mortgage to be dated as of March 1, 1968 (Trust Deed) to provide for the issue of $6,500,000 principal amount of 7% Convertible Collateral Income Debentures upon terms substantially to the following effect:

Security

The Trust Deed will constitute a first fixed and specific mortgage, pledge and charge of and on:

(a) upon receipt thereof by the Trustee, the $5,600,000 (U.S.) principal amount of 7½% Income Bonds Series D, of Anvil, which Dynasty proposes to purchase out of the proceeds of this issue,

(b) the $250,000 principal amount of Non-Interest Bearing General Mortgage Bonds, Series C, of Anvil,

(c) all amounts and securities from time to time comprising the Bond Purchase Fund hereinafter referred to,

(d) 600,000 fully paid and non-assessable shares in the capital of Anvil; and

a first floating charge over all the undertakings, property and assets of Dynasty, both present and future, subject only to permitted encumbrances as to be defined in the Trust Deed.

Bond Purchase Fund

The Trust Deed will provide for the deposit by Dynasty with the Trustee of the sum of $6,175,000 at the time of issue of the Debentures, which shall constitute a Bond Purchase Fund. The Bond Purchase Fund is to form part of the specifically mortgaged property and will be held by the Trustee until applied towards the purchase of the said $5,600,000 (U.S.) principal amount of 7½% Income Bonds Series D, of Anvil at the closing of such purchase which is expected to take place contemporaneously with the closing of the sale and purchase of the Units offered by this prospectus and the balance, if any, is to be paid to Dynasty for working capital.

Principal and Interest

The Debentures shall be dated the date of their issue and shall mature on April 1, 1982. The Trust Deed shall contain provisions to the effect that such Debentures shall bear interest at the rate of 7% per annum accruing on each Debenture from the date of issue thereof. Such accrued interest will become due and payable on the first day of June next following the date upon which Dynasty shall receive income by way of payment of interest on the said $5,600,000 (U.S.) principal amount of 7½% Income Bonds Series D, of Anvil (the date on which the said income is so received is to be defined in the Trust Deed and is hereinafter referred to as the Income Date), and on the first day of June in each succeeding year, but only if and to the extent that the Net Cash Income (as to be defined in the Trust Deed as referred to below under the sub-heading Definitions) of Dynasty for the period from the Income Date or the last interest payment date, as the case may be, up to the date immediately preceding the interest payment date in question in the aggregate exceeds the total amount, if any, theretofore paid by Dynasty by way of interest on the Debentures. No interest shall be paid on the said $5,600,000 (U.S.) principal amount of 7½% Income Bonds Series D, of Anvil until the principal amount of and interest on the Bank loan and on the General Mortgage Bonds of Anvil Series A, Series B and Series C are repaid as described on page 17 hereof.

When the principal amount of the Debentures becomes due and payable at maturity or by virtue of a declaration that the same is due and payable by reason of default under the Trust Deed, Dynasty shall be liable to pay the principal amount then remaining unpaid on the Debentures plus all accrued interest thereon, provided that the total amount then due and payable in respect of all accrued interest on the Debentures shall not exceed the amount by which the Net Cash Income of Dynasty for the period from the Income Date to the day next preceding the date when the principal amount becomes due and payable as aforesaid exceeds the aggregate of all interest theretofore paid on the Debentures, so that Dynasty shall not be liable to pay but shall be forever relieved and discharged for the payment of any accrued interest on the Debentures in excess of the said amount.

Conversion Privilege

The Trust Deed will provide to the effect that the Debentures shall be convertible, at the holder's option, into fully paid and non-assessable shares of the par value of $2.00 each in the capital stock of Dynasty as constituted on March 1, 1968, (without adjustment for interest accrued on such Debentures or for cash dividends on shares of Dynasty issuable upon conversion) at a rate of conversion which, at the date of the Trust Deed, will be 80 shares of Dynasty for each $1,000 of the principal amount of the Debentures. The right of conversion shall be exercisable at any time up to the close of business

on April 1, 1975, or one day before the date of the record for the regular payment of interest on the Debentures which, together with any other payment of interest aggregates one full year's interest on the Debentures, whichever date shall later occur.

To protect against dilution, the rate of conversion is subject to adjustment in certain cases, including sub-division, consolidation or reclassification of shares of Dynasty, or merger or consolidation of Dynasty. No fractional shares shall be issued upon conversions but an adjustment in cash will be made based on the market price of the shares of Dynasty at the date of conversion.

Redemption Provisions

The Trust Deed will provide to the effect that the Debentures are to be redeemable at the option of Dynasty in whole or, from time to time, in part on not less than 30 days' notice, at the principal amount thereof plus accrued interest payable and unpaid at that time. The Debentures are also to be redeemable through the operation of the Retirement Fund referred to below on similar notice. The Trust Deed will also provide that any monies received by Dynasty as a result of underruns on the Anvil Project will be applied to the purchase or redemption of Debentures.

Retirement Fund

The Trust Deed will require Dynasty on the first day of June in the year in which the Income Date falls and on the first day of June in each year thereafter to pay to the Trustee, as a Retirement Fund for the retirement of the Debentures, a sum equal to 100% of the amount by which the total of (i) all sums of money received by Dynasty from Anvil on account of principal payments on the securities of Anvil described under the subheading Security on page 5 hereof and (ii) the Net Cash Income of Dynasty for the period of one year immediately preceding such first day of June exceeds the aggregate for the same period of (a) the total amount theretofore paid or required to be paid by way of interest on the Debentures, and (b) the total amount, if any, theretofore applied by Dynasty for redemption, by way of Retirement Fund or otherwise, until the Debentures are retired in full, provided, however, that no Retirement Fund payment shall be made unless and until all interest accrued on the Debentures has been paid.

Certain Covenants of Dynasty

Among other covenants, the Trust Deed will contain covenants of Dynasty to the effect that, so long as any of the Debentures remain outstanding, Dynasty shall not:

(a) create or assume any mortgage, hypothecate, pledge, charge or any security, whether fixed or floating, on the specifically mortgaged property;

(b) issue or become liable on any funded obligations;

(c) create, assume or become liable on any purchase money mortgage except to the extent that same may be a permitted encumbrance;

(d) sell or otherwise dispose of all or any substantial part of its assets or undertakings; and

(e) guarantee any indebtedness or give any other guarantee on behalf of any person, firm or corporation.

Certain Definitions

The Trust Deed will contain definitions amongst others substantially to the following effect:

"Net Cash Income" means all sums of money received by Dynasty from Anvil while any of the Debentures are outstanding on account of interest and dividend income on the securities of Anvil

referred to above under the subheading Security, less all necessary and reasonable corporate and administrative costs of Dynasty not exceeding in total $50,000 per year to the extent only that such costs are paid out of the said sum of money received by Dynasty, including, without limitation, head office expenses, all legal, consulting and audit fees, and payment of costs and expenses in connection with the Trust Deed, including all Trustees' fees; but no deduction shall be made for or in respect of any expense or allowance not involving a cash outlay by Dynasty.

"funded obligations" means any indebtedness, the principal amount of which by its terms is not payable on demand and matures more than 12 months after the date of the creation and issuance thereof and any liability (contingent or otherwise) in respect of any guarantee by Dynasty of any such indebtedness of any person, firm or corporation, but the term "funded obligations" shall not include purchase money mortgages or purchase money liens.

Events of Default

Events of default will include failure to pay interest for 30 days or principal when due, failure to perform covenants within 60 days after notice, certain events of bankruptcy, insolvency or reorganization, and where the security constituted by the Second Trust Deed and Mortgage of Anvil shall have become enforceable pursuant to the provisions thereof.

Modification of the Trust Deed

The Trust Deed will provide that the Debenture holders may by extraordinary resolution (as to be defined in the Trust Deed) consent to any modification or change of any of the provisions thereof.

DESCRIPTION OF THE SHARES

Issuance of the Shares

Shares in the capital of Dynasty are included in the Units offered by this prospectus. Any and all of such shares, when issued, shall be deemed to be fully paid and non-assessable and the holder of any such shares shall not be liable to Dynasty or its creditors in respect thereof. The Articles of Association of Dynasty provide that all dividends shall be declared and paid according to the number of shares held by the shareholders respectively.

All of the shares included in the Units when issued will rank equally with all other issued shares of Dynasty for the purposes of voting, liquidation, distribution to shareholders, and for all other purposes. The right of the holders of the shares can be modified only by special resolution of the shareholders of Dynasty pursuant to the provisions of the Companies Act of British Columbia.

Deposit of Shares

By Agreement to be dated March 1, 1968, Dynasty will agree that it will deposit with the Trustee, as depository, certificates for the 260,000 shares of Dynasty which form part of the Units offered by this prospectus. Such Agreement will provide for the separation of the shares and the Debentures, at the option of Dynasty, at any time after August 1, 1968, and in any event prior to November 1, 1968, and will also provide for the exercise of voting rights, payments of dividends and transfer of interest prior to such separation.

MATERIAL CONTRACTS

Particulars regarding every material contract entered into by Dynasty and its subsidiaries within the two years preceding the date hereof other than contracts in the ordinary course of business are as follows:

1. The Underwriting Agreement dated March 29, 1968, with Richardson Securities of Canada, referred to on page 2 herein.
2. The Agreement dated June 28, 1967, and the Agreement dated September 27, 1967, both among Anvil, Dynasty and Cyprus. These Agreements and the Master Agreement as supplemented, referred to below, deal with the organization and financing of Anvil and determine the interests of Dynasty and Cyprus in Anvil.
3. The Agreement dated December 28, 1967, between Dynasty and Atlas pursuant to which $500,000 lent to Atlas by Dynasty may be converted into common shares of Atlas at the ratio of 1 share per $2.50 loaned.

Copies of the foregoing Agreements and of the Master Agreement among Anvil, Dynasty and Cyprus of December 4, 1965, as supplemented by Supplemental Agreement of the same date may be inspected during ordinary business hours at the head office of Dynasty, 330 Marine Building, 355 Burrard Street, Vancouver 1, British Columbia, while the Units offered by this prospectus are in the course of primary distribution and for thirty days thereafter.

AUDITORS, TRUSTEE, TRANSFER AGENT AND REGISTRAR

Dynasty's auditors are McDonald, Currie & Co., Chartered Accountants, 900 West Hastings Street, Vancouver 1, British Columbia.

Guaranty Trust Company of Canada, at its principal office at Vancouver, British Columbia, is the Registrar and at its principal offices at Vancouver, British Columbia; Calgary, Alberta; Toronto, Ontario; and Montreal, Quebec, is the Transfer Agent for the shares of Dynasty. At its principal office at Vancouver, British Columbia, it will be the Trustee under the Trust Deed and will be the Registrar, and at its principal offices at Vancouver, British Columbia; Calgary, Alberta; Toronto, Ontario; and Montreal, Quebec, will be the Transfer Agent for the Debentures of Dynasty.

The relevant addresses of Guaranty Trust Company of Canada are: Vancouver—624 Howe Street; Calgary—311 8th Avenue S.W.; Toronto—366 Bay Street; and Montreal—427 St. James Street West.

ANVIL

Anvil was incorporated pursuant to the provisions of the Companies Act of British Columbia on December 1, 1965.

Properties

The property of Anvil now consists of 2,027 mineral claims and 148 fractional mineral claims, all recorded and held by location, and 12 twenty-one year renewable leases covering 11 mineral claims and one fractional claim, all located in the Rose Creek area of Whitehorse Mining District in Yukon Territory at approximately latitude 62° 21′ north and longitude 133° 23′ west. The Faro No. 1, Faro No. 2 and Faro No. 3 ore bodies are within the said leases, which are specifically described as Quartz Mining Leases No.

1462 through 1473 inclusive, granted on January 15, 1968, with Anvil designated as "the Lessee". The proposed open pit operation from which ore will be extracted falls within the confines of these leases.

The property is serviced through Whitehorse. Wein Air Alaska and Canadian Pacific Airlines provide air service to Whitehorse and Great Northern Airlines supplies charter service between Whitehorse and the property. Surface access between Whitehorse and the property is available via Johnson's Crossing and Ross River. The White Pass & Yukon Route provides boat service between North Vancouver and Skagway and narrow-gauge rail service between Skagway and Whitehorse.

Geological, Engineering and Feasibility Reports

The following paragraphs (a) to (h) under this heading are a summary of specific elements of the "Report on Mineral Project of Anvil Mining Corporation Limited at Rose Creek, Yukon Territory" dated February 1, 1968, which was prepared by The Ralph M. Parsons Construction Co. of Canada, Ltd. and which was based in part on the following reports: (i) the feasibility study with respect to placing the Faro ore bodies into production which was submitted to Anvil in February, 1967, by The Ralph M. Parsons Construction Co. of Canada, Ltd., (ii) the reports of Mr. E. N. Pennebaker, consulting geologist to Anvil, dated March 2, 1967 and October 3, 1967, which relate to geology and ore reserves and, (iii) the report of The Galigher Company of Salt Lake City, Utah, dated October 3, 1966, relating to metallurgy. Copies of these reports are on file with the Securities Commissions of British Columbia, Alberta, Saskatchewan, and Ontario and are available for public inspection at the Commissions' Offices and at the Head Office of Dynasty, 330 Marine Building, 355 Burrard Street, Vancouver 1, B.C., while the Units offered by this Prospectus are in the course of primary distribution and for 30 days thereafter. The report of The Ralph M. Parsons Construction Co. of Canada Ltd. represents the professional judgment of that firm but does not constitute a guarantee of the economics presented.

A contract between The Ralph M. Parsons Construction Co. of Canada, Ltd. and Anvil Mining Corporation Limited for the engineering/design and construction of the concentrator, permanent access road and bridge, and ancillary facilities was executed in July, 1967.

(a) Geology

The Faro ore zone is situated on the southwest flank of and just outside a large body of granitic rock. The main mass of this intrusive near Rose Creek is about 8 miles long and 1½ miles wide at the surface. The ore occurs within a group of metamorphic rocks made up of schist, phyllite, argillite and quartzite that border the granitic intrusive on the southwest side. These rocks, of sedimentary origin, strike NW-SE and dip to the southwest at moderate inclinations, away from the granitic mass.

The principal metallic minerals in the ore are sphalerite, galena, chalcopyrite, pyrite and pyrrhotite. These appear as fine-textured aggregates to form a massive ore, as elongated streaks to make a banded ore, and as disseminations dispersed in the host rock. The massive sulfide ore is the predominant variety.

As presently known, the Faro mineralized zone consists of three ore bodies. From the northwest in a southeasterly direction these are designated as the Faro No. 1, Faro No. 3 and Faro No. 2 ore bodies, respectively.

The host of the Faro No. 1 and No. 3 ore bodies is a quartzite or a variety of metamorphic rock related to quartzite. These ore bodies appear conformable with the layering of their metamorphic host. As now defined, the Faro No. 1 ore body is about 2,400 feet long and 1,100 feet wide. The Faro No. 3 ore body is about 2,300 feet long and 1,000 feet wide, although it is still open along its southwest flank. These two ore bodies vary from 50 feet to 150 feet in thickness and are gently dipping and gently plunging.

The two ore bodies are covered and masked by glacial sands and gravels with an average thickness of 55 feet under which the ore outcrops on the buried surface. From this sub-outcrop the Faro No. 1 ore body plunges to the southeast under bedrock and attains a rock cover of approximately 300 feet where it meets the Faro fault. Southeast of the fault zone lies the Faro No. 3 ore body. On the southeast side of the fault, the No. 3 ore body is displaced vertically downward approximately 160 feet. Farther to the southeast, the No. 3 ore body rises and almost reaches the surface. Thus, in longitudinal section, these two ore bodies present the configuration of a basin.

Faro No. 2 ore body is located about 500 feet south of the southeast extremity of the No. 3 ore body. It is about 1,200 feet long and 1,000 feet wide, as presently known, but is open on the southeast end. The No. 2 ore body is thin and under a relatively shallow cover of overburden.

(b) Ore Reserves

Since 1964 extensive exploration and development of the Faro ore bodies have been carried out at an approximate cost of $7,500,000. To date, estimated total assured ore reserves as calculated by Mr. E. N. Pennebaker of Faro No. 1, Faro No. 2 and Faro No. 3 ore bodies are 34,206,995 tons averaging 10.11% combined lead-zinc and 1.2 ounce of silver, 5,159,335 tons averaging 7.98% combined lead-zinc and 1.4 ounce of silver, and 24,106,610 tons averaging 7.97% combined lead-zinc and 1.1 ounce of silver per ton respectively.

The ore reserve estimate is based on assay results of 42,878 feet of diamond drilling from 89 vertical holes. Most of these are located at the corners of grids that are 283 feet square, although a few are located at half intervals. The vertical diamond drill holes range in depth from 300 to 800 feet.

A cut-off grade of 5 percent combined lead and zinc and a tonnage factor of 8.5 cubic feet in place equaling one short ton were utilized in the reserve calculations. The results of Mr. E. N. Pennebaker's detailed calculations of the estimated ore reserves are listed below:

Tonnages of Assured Ore[1]

Ore Body	Tons	% Lead	% Zinc	% Combined Lead and Zinc	Oz/Ton Silver
1	34,206,995	3.833	6.284	10.117	1.217
3	24,106,610	2.856	5.115	7.971	1.110
2[2]	5,159,335	3.144	4.844	7.988	1.462
Total	63,472,940	3.405	5.721	9.126	1.196

[1] Includes ore after dilution by 30% of the calculated internal waste.

[2] No internal waste in No. 2 ore body.

Tonnages of Possible Ore

Ore Body	Tons	% Lead	% Zinc	% Combined Lead and Zinc	Oz/Ton Silver
3	2,553,915	2.812	5.093	7.905	0.893
2	635,555	2.776	5.794	8.570	1.120
Total	3,169,470	2.805	5.233	8.038	0.939

(c) Stripping and Mining

The economics of the project have been considered and evaluated by Anvil on the basis of a 17-year time period. The initial pit layout, ultimate pit development, and mine plant design are based on average annual ore milling rates of 2,000,000 tons for the first five-year period and 3,000,000 tons for the succeeding

twelve-year period. The significant stripping and mining data compatible with these milling rates is summarized below.

Period	Stripping (Cubic Yards) Alluvium	Cap Rock	Mining (Tons) Ore
Preproduction	2,763,000	3,777,000	607,000
1 - 5 years	4,887,000	12,873,000	11,791,000
6 - 17 years	6,350,000	41,400,000	33,602,000
Totals	14,000,000	58,050,000	46,000,000

In the proposed open pit mining method an estimated 607,000 tons of ore would be mined and stockpiled concomitant with the preproduction stripping. Of this total, about 392,000 tons is expected to average 11.4 percent combined lead and zinc and 215,000 tons 7.9 percent combined metal values. During the initial five-year operational period, it is estimated that 11,791,000 tons of ore would be mined of which 9,608,000 tons, together with the 392,000 tons of higher grade ore from the preproduction stripping operation, would constitute feed to the concentrator. The balance, 2,188,000 tons, supplemented by the 215,000 tons of lower grade preproduction stripping ore, would be reclaimed from the stockpile during the 6th, 7th, 8th and 9th years of operation at an average annual rate of 600,000 tons. With this concept, it is estimated that the concentrator feed would average 12.2 percent combined lead and zinc for the first five-year period and 9.3 percent combined metal values for the ensuing twelve-year period.

The annual stripping requirements are estimated on the basis of developing a one year supply of ore for the concentrator.

(d) Metallurgy

Between October 1965, and October 1966, The Galigher Company conducted both open circuit and locked-cycle laboratory flotation testing of drill core samples from the Faro No. 1 ore body.

The laboratory flotation test results indicate that the lead concentrate should assay 69-70 percent lead with a recovery of 88-90 percent of the lead and 75-80 percent of the silver. The zinc concentrates produced in the laboratory indicate that the commercial plant zinc concentrate should assay about 53-54 percent zinc with a recovery of 85-88 percent of the zinc.

The metallurgical balance summarized in the following table is based on data from the testwork of The Galigher Company and has been utilized in evaluating the project economics. The recoveries in the table shown for lead and zinc in the initial five-year operational period have been assumed to be between 1 percent and 2 percent higher than the best results achieved in the laboratory locked-cycle flotation test work.

Because engineering and design criteria were difficult, if not impossible, to develop from the bench scale test work, pilot plant test work was required to develop reliable criteria. Pilot plant operations on ore samples from the Faro No. 1 ore body commenced in mid-July, 1967, and terminated in early September, 1967. During this period, approximately 200 tons of ore were processed. This ore was obtained between February, 1967 and April, 1967 from an adit driven in the Faro No. 1 ore body.

Material	Annual Tonnage (1) (DST)	% Lead	% Zinc	% Copper	Oz/Ton Silver	Oz/Ton Gold	Lead	Zinc	Copper	Silver	Gold
		Analysis					Distribution in Percent				
Years 1 - 5											
Mill Feed	2,000,000	4.9	7.3	0.15	1.69	0.010	100.0	100.0	100.0	100.0	100.0
Lead Concentrate	128,400	69.1	5.85	0.52	20.57	0.050	90.5	5.1	22.3	78.1	32.1
Zinc Concentrate	240,200	0.61	53.8	0.49	0.85	0.006	1.5	88.5	39.3	6.0	7.2
Tailings	1,631,400	0.48	0.57	0.07	0.33	0.007	8.0	6.4	38.4	15.9	60.7
Years 6 - 17											
Mill Feed	3,000,000	3.41	5.92	0.34	1.01	0.010	100.0	100.0	100.0	100.0	100.0
Lead Concentrate	130,100	70.0	5.70	0.50	19.9	0.060	89.0	4.2	6.4	85.4	26.0
Zinc Concentrate	282,900	0.60	54.0	1.45	0.60	0.006	1.7	86.0	40.2	5.6	5.7
Tailings	2,587,000	0.37	0.67	0.21	0.11	0.008	9.3	9.8	53.4	9.0	68.3

(1) DST—Dry short tons.

(e) Estimates of Capital Cost

The following table was prepared from The Ralph M. Parsons Construction Co. of Canada, Ltd. report of February 1, 1968 and summarizes the estimated capital cost to bring the Faro ore bodies into production. The estimates for the concentrator and ancillary facilities, mine plant and equipment, townsite costs (exclusive of Anvil's equity in the housing), preproduction stripping, and deferred capital requirement are based on labor, material, and equipment costs prevailing in the period between September, 1966, and February, 1967, and no provision for contingencies or escalation has been made in respect of these items.

Capital Cost Element	Amount $	$
Concentrator and Ancillary Facilities	35,873,000	
Mine Plant and Equipment	4,908,000	
Townsite	3,749,000	
Capitalized Anvil Supervision and Overhead	1,175,000	
Subtotal of Depreciable Assets		45,705,000
Preproduction Stripping	2,783,000	
Permanent Bridge and Access Road	500,000	
Prior Exploration and Development Costs	7,407,000	
Subtotal of Write-offs		10,690,000
Working Capital		2,637,000
Bank Interest (Construction Period)		3,941,000
ESTIMATED INITIAL CAPITAL COST		62,973,000
ESTIMATED DEFERRED CAPITAL COST		3,394,000

The estimates for Anvil's equity in the proposed townsite housing, capitalized Anvil supervision and overhead, permanent bridge and access road, prior exploration and development costs, working capital and bank interest (construction period) were provided to The Ralph M. Parsons Construction Co. of Canada, Ltd., by Anvil on January 11, 1968.

Anvil estimated the capital cost of their equity in the proposed townsite housing at $1,276,000. The total estimated townsite capital cost of $3,749,000 includes provision for a dispensary, recreation hall, bunk houses for single-status personnel, and a coal-fired, steam central heating plant.

The permanent bridge and access road estimate only represents Anvil's share of the total estimated cost of this facility.

The deferred capital requirement of $3,394,000 is the estimated cost of the additional process facilities necessary to increase the milling capacity from two to three million dry short tons of ore per year.

(f) Estimated Operating Costs

The direct mining costs which are based on labor, material and supplies costs prevailing between September, 1966, and February, 1967, are estimated below.

Included in these estimates are the costs of stockpiling ore during the first five-year operational period and of reclaiming stockpiled ore during the first nine years of operation.

Period, Years	Cost per DST Ore Mined
1 - 5	$ 0.88
6 - 9	0.93
10 - 17	0.95

Milling costs (including plant general costs) which are based on labor, material and supplies costs prevailing between September, 1966, and February, 1967, are estimated below.

Cost Element	Cost per DST Ore Milled Years 1 - 5	Years 6 - 17
Labor	$ 0.56	$ 0.41
Reagents	0.65	0.63
Liners and Grinding Media	0.31	0.28
Fuel (coal)	0.35	0.25
Electric Power	0.45	0.30
Maintenance Materials, Operating Supplies and Spare Parts	0.27	0.22
TOTAL	$ 2.59	$ 2.09

The partial production during the start-up period is estimated to be sufficient to establish the in-process and concentrate inventories. Operating costs for this period are included in the inventory values, an estimate of which is a component of the working capital estimate.

The foregoing estimates of mining and milling costs contain no provisions for contingencies or escalation.

(g) Plant

The process plant complex, as presently being engineered and constructed, is located to the south and west of the open pit location at an elevation of about 3,900 feet and covers an area of approximately 35 acres.

The major structures comprising the process plant complex include: (1) primary crushing station; (2) secondary and tertiary crushing building; (3) coarse ore storage; (4) concentrator building; (5) product

storage and load-out station; (6) combination stores warehouse, truck repair and equipment maintenance shop structure; (7) mobile equipment garage; and (8) administration building. The major operational structures are to be of reinforced concrete and steel-framed design with insulated siding and roofing. Plant heating will be provided by a high pressure hot water circulating system. Where required dust collection systems are being installed.

The average daily capacity of the concentrator, during the period years 1 through 5, is expected to be 5,500 dry short tons, equivalent to an annual milling rate of 2,000,000 tons. The concentrator is of conventional design employing three stages of crushing with 30,000 tons of coarse ore storage intermediate to the primary and secondary crushing stages.

Fine ore storage of 12,000 tons capacity is to be provided for the primary grinding circuits. Two, two-stage grinding circuits are to be provided, each consisting of one open-circuit rod mill and two closed-circuit ball mills. Conventional flotation practices are employed to produce selective concentrates of the lead and zinc minerals. Both the lead and zinc flotation circuits consist of rougher/scavenger and three stages of cleaning with regrinding of the rougher/scavenger concentrates. Concentrate dewatering is effected by thickening, filtration and thermal drying. Product storage for 4,000 tons of concentrates is to be employed.

(h) Services

Townsite: Pursuant to an agreement with the Department of Indian Affairs and Northern Development, Anvil has retained Thompson, Berwick, Pratt and Partners of Vancouver, British Columbia, to plan the development of a townsite.

A site has been selected on the east side of the plant access road on the north bank of the Pelly River about 12 miles from the plantsite. The townsite is being planned for a population of 1,000, utilizing 161 owner-occupied dwellings, 77 rental apartments and 62 single-status accommodations. Also included are plans for a dispensary, school building, civic center, recreation complex and supporting services.

Power: Power will be supplied to the site from the generating facility of the Northern Canada Power Commission (NCPC) in Whitehorse. To serve the anticipated load, the NCPC is increasing its generating capacity by 21 or 22 megawatts. Power will be transmitted over a new transmission line to a primary substation at the plantsite. Both the transmission line and substation are being designed and erected by NCPC and are scheduled to be complete by June, 1969. It is anticipated that 5 megawatts of power will be available at the site prior to start-up.

Water: Water will be supplied from an impoundment dam to be located on the south branch of Rose Creek. The minimum water impoundment volume is approximately 800,000,000 gallons. At the estimated consumption of 5,900 imperial gallons per minute during the first five-year period, the impoundment volume is equivalent to about three months' supply of water assuming no flow during the low-flow period.

Roads: Approximately 100 miles of a new all weather gravel surface road between Ross River and Carmacks has been completed and a contract for the remaining section (approximately 40 miles) has been awarded and is scheduled for completion by the fall of 1968. The Government specifications for the road meet Anvil's haulage requirements.

The access road to the plantsite from the new Ross River-Carmacks road is being designed by and will be constructed by The Ralph M. Parsons Construction Co. of Canada, Ltd. pursuant to a contract with Anvil. The proposed access road will include 17.3 miles of new and improved road having a 28-feet wide graveled surface and a 20-feet wide travel way with an 8 percent maximum grade. The bridge crossing the Pelly River will have a total length of 540 feet consisting of one 300-feet long through truss and two 120-feet long pony trusses.

Haulage: The White Pass & Yukon Route has contracted to haul the concentrates from the plantsite to tidewater at Skagway, Alaska, and to provide services and facilities at Skagway to unload, store and shipload the concentrates.

It is expected that concentrates will be shipped from the plantsite in containers on five-axle trucks having a gross vehicle weight of 95,000 lbs. and a payload of about 30 tons. Transloading of the containers will be effected in Whitehorse from trucks to flatbed cars for narrow gauge rail shipment to Skagway. The truck haul will approximate 230 miles and the rail haul 110 miles.

The facilities at Skagway will be comprised of unloading trackage, lead and zinc concentrate unloading station, covered storage buildings for 50,000 tons of zinc concentrate and 45,000 tons of lead concentrate, a storage reclaiming system and a fixed shiploader. The ship basin is scheduled to be dredged to a 45-foot depth below MLLW to accommodate 35,000 DWT vessels. The belt conveyor fixed-shiploader will have a capacity of 1,500 tons per hour. It is estimated that the entire facility is to be completed by the fall of 1969.

The tidewater operating costs are not yet definitive, but are estimated by Anvil at $2.00 per ton of concentrate.

Sales, Financing, and Management

Following an assessment of the feasibility study (The Ralph M. Parsons Construction Co. of Canada, Ltd., report of February, 1967) and of other relevant reports and information the management of Anvil concluded that the Faro ore bodies could be placed into production (Anvil Project) to yield a reasonable rate of return, and have arranged for the financing as outlined below. The economics have been evaluated by use of estimates of cash flow as shown in the statement of Estimated Cash Flow and Debt Repayment on page 19 hereof. On the basis of a capital expenditure of about $58,250,000 (U.S.) the estimated cash flow indicates a debt payout period of 5.7 years from the time of commencement of production. The essential assumptions for this projection are (i) the average lead-zinc prices of 10-10½¢ (U.S.) respectively, (ii) estimated mining and milling costs as set out in The Ralph M. Parsons Construction Co. of Canada, Ltd., report of February 1, 1968, and summarized on page 14 hereof, and (iii) the ore milling rates of 2,000,000 tons per year for the first five years and 3,000,000 tons per year for subsequent years.

(a) Sales Contracts

Anvil has signed identical sales contracts with the Toho Zinc Co. Ltd. and Mitsui Mining & Smelting Co. Ltd., both of Japan. Under the terms of these contracts, Anvil has agreed to deliver its entire production of lead and zinc concentrates (estimated to be approximately 128,400 DST and 240,200 DST per year respectively) for a period of eight years after the commencement of regular production.

Under the contracts the price to be paid for zinc contained in zinc concentrates shall be based on the price for GOB zinc as published in the Metal Bulletin of London, averaged for a defined quotational period, less treatment charges and deductions.

The price to be paid for lead contained in lead concentrates shall be based upon the London Metal Exchange price for standard lead cash (mean) and three months (mean) for a defined quotational period less treatment charges and deductions.

The price to be paid for silver contained in lead concentrates will be the price from time to time quoted by Handy and Harman of New York for silver contained in unrefined silver bearing material less deductions.

(b) Financing

In order to bring the Faro ore bodies into production, Anvil, Dynasty and Cyprus have agreed that the total cost of the project estimated at $58,250,000 (U.S.) shall be financed in the manner described below.

Cyprus, which by December 31, 1967, had advanced the sum of $10,000,000 and the sum of $3,410,000 (U.S.), has agreed to advance an additional $4,590,000 (U.S.) as required. Of the $8,000,000 (U.S.) advanced and to be advanced by Cyprus ($3,410,000 (U.S.) and $4,590,000 (U.S.) respectively), Dynasty has the right to provide $5,600,000 (U.S.) as related in detail under the heading Dynasty.

One Canadian and three American banks have agreed to loan Anvil up to $42,000,000 (U.S.) to be used for the construction of the Anvil Project and for working capital. Such Bank loan is to be advanced in accordance with and upon fulfillment of the terms of the Bank Loan Agreement of September 1, 1967, from time to time at the request of Anvil, but only after the said $8,000,000 (U.S.) to be advanced by Cyprus and Dynasty has been advanced. As collateral security for the due payment of the Bank loan and interest thereon at the rate of 7½% per annum, Anvil is to pledge its 7½% First Mortgage Bonds in the principal amount of the Bank loan, such Bonds to be secured by a first fixed and floating charge on all the assets and undertaking of Anvil.

The principal amount of the Bank loan is repayable in semi-annual instalments starting September 30, 1970, and must be fully repaid no later than September 30, 1975.

As a consideration for the Bank loan and in order to assure the total financing of the Anvil Project, Cyprus has agreed to provide any additional funds which may be required for completion (Completion Guarantee) and has agreed to make up any deficiencies in the repayment of the Bank loan and interest thereon (Deficiency Guarantee). The Completion Guarantee is unconditional. The Deficiency Guarantee continues in force until the Bank loan is repaid in full unless (i) after twelve months of commercial operation Anvil makes a prepayment of $10,000,000 (U.S.) plus a premium, using funds provided for that purpose by Dynasty and Cyprus, or (ii) provided that Cyprus has not been called upon to provide any funds pursuant to its Deficiency Guarantee, a minimum of $18,500,000 (U.S.) has been repaid on the Bank loan together with interest thereon, and production is such to adequately service the balance of the Bank loan. All monies provided by Cyprus pursuant to the Completion Guarantee and/or the Deficiency Guarantees are to bear interest at the rate of 7½% per annum and are to be secured as more fully outlined in the Agreement of September 27, 1967, among Dynasty, Cyprus and Anvil referred to under the heading Material Contracts.

For any monies that may be provided by Cyprus pursuant to its Deficiency Guarantee, the $10,000,000 advanced by Cyprus, the $250,000 spent by Dynasty on exploration prior to the incorporation of Anvil and the $8,000,000 (U.S.) advanced by Cyprus (a part of which is to be advanced by Dynasty as described under the heading Use of Proceeds), Anvil is to issue its 7½% General Mortgage Bonds Series A, Series B, Series C and Series D respectively (the Series D including the Income Bonds Series D referred to under the heading Use of Proceeds), all of which are to be secured under the Deed of Trust and Mortgage (hereinafter referred to as the Second Trust Deed and Mortgage) dated as of September 1, 1967, in favor of Canada Permanent Trust Company and constituting a second, fixed and floating charge on all the assets and undertakings of Anvil. The principal amount of the General Mortgage Bonds of Anvil to be issued as aforesaid together with interest thereon are subordinated to the repayment of the Bank loan. The principal amount of each Series of the said General Mortgage Bonds of Anvil with interest thereon is subordinated to the repayment and redemption in full of the preceding Series. Any monies which are advanced by Cyprus under its Completion Guarantee will be subordinated to the Bank loan and the said General Mortgage Bonds both as to security and repayment.

Having regard to the above, the total estimated cost of the Anvil Project in the amount of $58,250,000 (U.S.) will be fully financed as follows:

Capital contributions by Cyprus and Dynasty	$ 1,500,000 (U.S.)
The sum of $10,000,000 already advanced by Cyprus and referred to above	9,250,000 (U.S.)
The amount of money advanced and to be advanced by Cyprus and Dynasty	8,000,000 (U.S.)
Out of the said Bank loan of up to $42,000,000 (U.S.) the sum of	39,500,000 (U.S.)
Total	$58,250,000 (U.S.)*

The remainder of the said Bank loan provides a sum of $2,500,000 (U.S.) for contingencies in addition to the Completion Guarantee by Cyprus.

*The said $58,250,000 (U.S.) is equivalent to the sum of $62,973,000 referred to on page 13 hereof. (Conversion of U.S. funds to Canadian funds on the basis of $1.00 (U.S.) equals $1.0811 Canadian.)

(c) Management

Cyprus, which has 60% equity interest in Anvil, has provided the management for the development of the Anvil Project. Mr. Kenneth Lieber, Senior Vice-President of Cyprus, is the President and a Director of Anvil, and Mr. Robert E. Thurmond, also of Cyprus, is the Vice-President and General Manager of Anvil. In addition, Mr. Donlin P. Murdy, Senior Vice-President and Treasurer of Cyprus, Mr. Gerald G. Kelly, Secretary and General Counsel of Cyprus, Mr. James G. Hansen, a Vice-President of Cyprus, and Mr. Charles H. Wills, a Barrister and Solicitor of Vancouver, are Directors of Anvil representing Cyprus' interest in Anvil.

Cyprus is a Los Angeles based company which was incorporated to undertake the mining of rich copper deposits on the Island of Cyprus. Cyprus has since diversified its interests to include a 33½% interest in Mount Goldsworthy, a substantial iron ore operation in Western Australia; a 46% interest in Marcona Corporation, which operates a world-wide shipping organization and an iron mining and pelletizing operation in Peru; a 50% interest in Pima Mining Company, an open-pit copper mine in Arizona; production of copper and aluminum wire and cable in the United States; timber operations in British Columbia and California; extraction of industrial earths (talc, clay, etc.) in various parts of the United States and processing of them in the United States and Belgium; a 45% interest in cement production in Hawaii, and extensive mineral exploration in Cyprus, North America and Australia.

Progress Report

Final design and detailed engineering for this project commenced in March, 1967, and as of December 29, 1967, engineering is estimated to be 36 percent complete.

Construction personnel arrived at the site in May, 1967, to initiate preconstruction activities. Construction progress, since that inception date through December 29, 1967, is estimated to be 9 percent complete.

Anvil has advised that preproduction stripping commenced in October, 1967. As of December 31, 1967, Anvil estimates 356,000 cubic yards of alluvium have been stripped from the ore bodies.

The estimated completion date for construction is July, 1969. Initial production is scheduled for August and September, 1969, at one-half capacity as a start-up period. Regular production at a rate of 2,000,000 tons per year of ore is expected to begin on October 1, 1969.

Anvil Mining Corporation Limited
Estimated Cash Flow and Debt Repayment
(In thousands of dollars, Canadian Funds)

Production Year	1	2	3	4	5	6	7	8	9	10	Total
	$	$	$	$	$	$	$	$	$	$	$
A. Cash Flow Available for Debt Retirement **Net Concentrate Sales** (note 1)	34,068	34,068	34,068	32,306	31,102	33,833	33,139	33,139	34,375	34,175	334,273
Costs											
Operating, selling and administrative costs (note 2)	18,320	18,320	18,320	18,127	18,058	20,948	21,106	21,445	21,530	21,484	197,658
Interest expense (note 3)	3,203	2,113	3,253	2,835	1,782	176	—	—	—	—	13,362
Income taxes (note 4)	—	—	—	—	—	499	1,288	1,972	2,915	3,257	9,931
	21,523	20,433	21,573	20,962	19,840	21,623	22,394	23,417	24,445	24,741	220,951
Gross Cash Flow	12,545	13,635	12,495	11,344	11,262	12,210	10,745	9,722	9,930	9,434	113,322
Interest—Dynasty Explorations Limited (note 5)	—	—	—	—	2,838	410	—	—	—	—	3,248
	12,545	13,635	12,495	11,344	8,424	11,800	10,745	9,722	9,930	9,434	110,074
Retained for Working Capital	1,255	—	—	—	—	—	—	—	—	—	1,255
	11,290	13,635	12,495	11,344	8,424	11,800	10,745	9,722	9,930	9,434	108,819
Cost of Mill Expansion	—	—	—	—	3,394	—	—	—	—	—	3,394
Cash Flow Available for Debt Retirement	11,290	13,635	12,495	11,344	5,030	11,800	10,745	9,722	9,930	9,434	105,425
B. Retirement of First Mortgage Bonds—Banks (note 6)	11,290	13,635	12,495	5,282	—	—	—	—	—	—	42,702
Cash Flow Available for Retirement of Subordinated Debt	—	—	—	6,062	5,030	11,800	10,745	9,722	9,930	9,434	62,723
C. Retirement of Subordinated Debt (note 6)											
Series B Bonds—Cyprus Mines Corporation	—	—	—	6,062	3,938	—	—	—	—	—	10,000
Series C Bonds—Dynasty Explorations Limited	—	—	—	—	250	—	—	—	—	—	250
Series D Bonds—Dynasty Explorations Limited	—	—	—	—	589	5,465	—	—	—	—	6,054
Series D Bonds—Cyprus Mines Corporation	—	—	—	—	253	2,342	—	—	—	—	2,595
	—	—	—	6,062	5,030	7,807	—	—	—	—	18,899
D. Net Cash Flow—Annual	—	—	—	—	—	3,993	10,745	9,722	9,930	9,434	43,824
E. Net Cash Flow—Accumulative	—	—	—	—	—	3,993	14,738	24,460	34,390	43,824	43,824

Anvil Mining Corporation Limited
Notes to Estimated Cash Flow and Debt Repayment

1. Concentrate sales are based on:
   (a) Milling 2,000,000 dry short tons per year in the first five years and 3,000,000 dry short tons per year thereafter.
   (b) Ore grades as determined by E. N. Pennebaker, Consulting Geologist, Scotsdale, Arizona, U.S.A., diluted by 30% of the calculated internal waste.
   (c) Metallurgy determined by Eugene S. Allen, Consulting Metallurgist, Los Altos, California, U.S.A.
   (d) Metal prices based on studies by Ametalco Inc., U.S.A., and Arthur D. Little Inc., U.S.A., zinc–10.5¢ (U.S.), lead–10.0¢ (U.S.), silver–$1.50 (U.S.).
   (e) Conversion of U.S. funds to Canadian funds on the basis of $1.00 (U.S.) equals $1.0811 Canadian.

2. Operating, selling and administrative expenses, estimated by The Ralph M. Parsons Construction Co. of Canada Ltd. and Anvil Mining Corporation Limited, include Yukon royalty.

3. Interest expense includes interest on First Mortgage Bonds to the Banks and Series B and D Bonds to Cyprus and excludes interest on Series D Bonds to Dynasty. The Series C Bonds are without interest.

4. The first three years are exempt from income taxes under the provisions of current legislation applicable to mining companies. Income Taxes are based on current tax rates and allowances for exploration and development cost, capital cost and depletion.

5. Interest on the Series D Bonds will accrue from date of issue but payment thereof will be subject to availability of Net Operating Profit of Anvil as defined in the Second Trust Deed and Mortgage.

6. The Subordinated Debt will be secured by the charge of the Second Trust Deed and Mortgage which provides that a minimum of 80% of Net Operating Profit as defined therein shall be applied to servicing of said Debt. This estimated cash flow reflects 100% applied to servicing of both the First Mortgage Bonds (as required) and the subordinated Debt.

7. This estimated cash flow reflects a debt retirement period of 5.7 years from the date of commencement of production expected to begin on October 1, 1969. If the aforementioned metal prices of 10¢ (U.S.) for lead and 10.5¢ (U.S.) for zinc change, but without reflecting any change in silver prices, the debt retirement period would change as follows:

   Prices increase to 11¢ and 11.5¢, the debt retirement period decreases to 4 years.

   Prices decrease to 9¢ and 10¢, the debt retirement period increases to 8 years.

   As at January 26, 1968, the metal prices were 10.0¢ (U.S.) for lead, 12.3¢ (U.S.) for zinc and $2.01 (U.S.) for silver.

8. Costs throughout the 10 year period are based on amounts in effect at the times the estimates were made (such times being during the past year and a half) and sales are based on amounts stated in note 1.

AUDITORS' REPORT TO THE DIRECTORS

We have examined the balance sheet and pro forma balance sheet of Dynasty Explorations Limited as at December 31, 1967 and the statements of earnings and deficit for the period September 1, 1965 to December 31, 1967, and source and use of working capital for the period from April 23, 1964 (date of incorporation) to December 31, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion:

(a) The accompanying balance sheet presents fairly the financial position of the company as at December 31, 1967;

(b) The accompanying pro forma balance sheet presents fairly the financial position of the company as at December 31, 1967 after giving effect to the transactions set forth in note 9;

(c) The accompanying statements of earnings and deficit and source and use of working capital present fairly the results of operations for the period from September 1, 1965 to December 31, 1967 and the source and use of working capital from April 23, 1964 (date of incorporation) to December 31, 1967;

all in accordance with generally accepted accounting principles applied on a consistent basis.

Vancouver, B.C. (Signed) McDonald, Currie & Co.
March 29, 1968. Chartered Accountants

Dynasty Explorations Limited

Balance Sheet and Pro Forma Balance Sheet
As at December 31, 1967

After giving effect in the pro forma balance sheet to the transactions set out in note 9 of the notes to the financial statements

Assets

	Balance Sheet $	Pro Forma Balance Sheet $
Current Assets		
Cash	145,062	226,062
Deposit held in trust	75,400	75,400
Accounts receivable	31,368	31,368
	251,830	332,830
Investments (notes 2 and 7)	2,676,554	8,730,554
Fixed Assets (note 3)	73,218	73,218
Organization Costs	6,629	6,629
	3,008,231	9,143,231

Liabilities

	Balance Sheet $	Pro Forma Balance Sheet $
Current Liabilities		
Bank loan — secured (note 4)	200,000	200,000
Accounts payable and accrued liabilities	22,712	22,712
	222,712	222,712
Long Term Debt		
7% Convertible Collateral Income Debentures	———	6,500,000

Shareholders' Equity

	Balance Sheet $	Pro Forma Balance Sheet $
Capital Stock (note 5)		
Authorized — 10,000,000 shares of the par value of $2 each		
Issued and fully paid — 2,477,900 shares (2,737,900 shares pro forma)	1,174,350	1,694,350
Contributed Surplus (note 6)	1,651,575	766,575
	2,825,925	2,460,925
Deficit	40,406	40,406
	2,785,519	2,420,519
	3,008,231	9,143,231

Approved on behalf of the Board:

(Signed) Aaro E. Aho
(Signed) John Bruk
} Directors

The accompanying notes are an integral part of these statements.

Dynasty Explorations Limited

Statement of Earnings and Deficit
For the Period from September 1, 1965
to December 31, 1967 (Note 1)

	Year to August 31, 1966 $	Sixteen months to December 31, 1967 $
Income		
Interest earned (note 2 (c) (i))	20,416	55,199
Financing bonus (note 2 (b) (iii))		8,000
	20,416	63,199
Expenses		
Accounting, audit, legal and underwriting fees	12,493	37,532
Advertising	6,197	8,401
Depreciation and amortization	7,868	17,410
Management and consulting fees	15,675	15,735
Miscellaneous	16,959	14,038
Rent	1,787	26,976
Salaries	12,257	17,303
Shareholders' reports	7,808	5,987
Travel	4,838	14,632
Trust company fees	3,022	3,888
	88,904	161,902
Less Expenses recovered	19,854	47,587
	69,050	114,315
Operating Loss for Period	48,634	51,116
Extraordinary Item		
Gain on disposal of investments		59,344
Net Earnings (Loss) for the Period	(48,634)	8,228
Deficit — Beginning of Period		(48,634)
Net earnings (loss) for the period	(48,634)	8,228
Deficit — End of Period	(48,634)	(40,406)

The accompanying notes are an integral part of these statements.

Dynasty Explorations Limited

Statement of Source and Use of Working Capital for the Period from April 23, 1964 (Date of Incorporation) to December 31, 1967

		April 23, 1964 to August 31, 1965 $	Year to August 31, 1966 $	Sixteen months to December 31, 1967 $
Source of Working Capital				
Sale of capital stock		505,880	2,035,325	85,400
Sale of investments				137,610
Sale of fixed assets			19,890	3,489
		505,880	2,055,215	226,499
Use of Working Capital				
Operations (note 1)				
Deferred expenses				
Exploration and development	195,738			
Administrative	100,322	296,060		
Operating loss			48,634	51,116
Less: Charges not requiring an outlay of working capital				
Depreciation	12,986		7,868	17,410
Administrative expenses satisfied by issue of capital stock	38,920	51,906		
Used in operations		244,154	40,766	33,706
Purchase of investments		18,000	1,379,180	899,476
Purchase of fixed assets		32,876	57,276	46,195
Purchase of mineral properties (note 1)		218		
Organization costs		2,850	3,779	
		298,098	1,481,001	979,377
Increase (Decrease) in Working Capital		207,782	574,214	(752,878)
Working Capital — Beginning of Period			207,782	781,996
Increase (decrease) in period		207,782	574,214	(752,878)
Working Capital — End of Period		207,782	781,996	29,118

The accompanying notes are an integral part of these statements.

Dynasty Explorations Limited

Notes to Financial Statements
from April 23, 1964
(Date of Incorporation)
to December 31, 1967

1. Statement Presentation

Dynasty Explorations Limited (Dynasty) was incorporated on April 23, 1964, and for the period to August 31, 1965, it was in the exploration and development stage. All expenditures incurred up to and including August 31, 1965, were carried forward as deferred exploration, development and administrative expense and together with the cost of mineral claims were allocated as follows: (i) the sum of $140,558 to the cost of Anvil Mining Corporation Limited (Anvil) shares received on the sale of the mineral claims to Anvil and (ii) the sum of $250,000 as an advance to Anvil (note 2.). Accordingly there were no earnings or surplus for the period from April 23, 1964 to August 31, 1965.

During the latter part of 1966 (after August 31, 1966) Dynasty changed its fiscal year end from August 31 to December 31 and accordingly the statement of earnings and deficit reflects the twelve month period to August 31, 1966, and the sixteen month period to December 31, 1967.

2. Investments

(a) Holdings at December 31, 1967:	Number of Shares	$	$
(i) Shares			
Anvil Mining Corporation Limited	600,000	375,958	
Atlas Explorations Limited (N.P.L.)	173,500	345,620	
Cima Mines Limited (N.P.L.)	50,000	8,000	
Silver Titan Mines (N.P.L.)	420,000	1,093,000	
Westrim Mining Corporation Ltd. (N.P.L.)	135,000	19,000	1,841,578
(ii) Loans and advances			
Anvil Mining Corporation Limited		250,000	
Atlas Explorations Limited (N.P.L.)		529,276	
Prince of Wales joint venture		55,700	834,976
			2,676,554

(b) Share cost basis and quoted market value (where applicable) at December, 31, 1967:

(i) Anvil Mining Corporation Limited (note 7) without quoted market value, at a cost based on the following:	$
— cash payment	150,000
— the book value of mineral properties and deferred costs transferred to Anvil pursuant to a master agreement dated December 4, 1965, made between Dynasty, Cyprus Mines Corporation and Anvil Mining Corporation Limited	140,558
— the value ascribed to 85,400 shares of Dynasty, issued as a part of the consideration for Cyprus covenants and commitments with respect to Anvil's financing under the master agreement dated December 4, 1965, a letter agreement dated June 28, 1967, and an agreement dated September 27, 1967, made between Dynasty, Cyprus and Anvil (note 5)	85,400
Total cost	375,958

(ii) Atlas Explorations Limited (N.P.L.), at average cost, quoted market value — $459,775 (note 4).

(iii) Cima Mines Limited (N.P.L.), at a nominal value and without quoted market value. Dynasty received these 50,000 shares as a bonus for a loan of $500,000 to Atlas Exporations Limited (N.P.L.) (see below) pursuant to an agreement dated February 23, 1967; in January, 1968, Dynasty had received from Atlas the option to exchange these Cima shares for Atlas shares on a basis of 3 Cima shares for 1 Atlas share. This option was exercised on January 24, 1968.

(iv) Silver Titan Mines Limited (N.P.L.) at average cost, quoted market value - $546,000. At an extraordinary general meeting of Silver Titan dated August 30, 1967, the shareholders approved the voluntary liquidation of the company. The result will be the distribution of 1 share of Atlas Explorations Limited (N.P.L.) for every 2 shares of Silver Titan Mines Limited (N.P.L.).

(v) Westrim Mining Corporation Ltd. (N.P.L.), at average cost and without quoted market value.

(c) Loans and advances at December 31, 1967:

(i) The loan to Atlas Explorations Limited (N.P.L.) is repayable within 12 months, with interest at 7½% per annum. Dynasty holds as security for the loan, 2,650,000 shares of Cima Mines Limited (N.P.L.) owned by Atlas. Dynasty has the option, while the loan is outstanding, to convert the loan to shares

of Atlas at $2.50 per share; all interest earned would be forfeited if the option to convert is exercised. The $529,276 includes interest of $29,276.

(ii) The advance to Anvil Mining Corporation Limited is without interest and is agreed to be secured and repaid out of production.

(iii) The advance to the Prince of Wales joint venture is without interest and represents a 50% interest in a joint venture between Dynasty and Atlas Explorations Limited (N.P.L.) on mineral properties in Alaska.

3. Fixed Assets

As at December 31, 1967, Dynasty held the following fixed assets:

	Cost	Accumulated depreciation or amortization	Net
	$	$	$
Office equipment	32,870	12,254	20,616
Leasehold improvements	64,834	12,232	52,602
	97,704	24,486	73,218

Depreciation has not been claimed on any of the above assets for income tax purposes.

4. Security for Bank Loan

As security for the bank loan Dynasty has pledged 150,000 shares of Atlas Explorations Limited (N.P.L.).

5. Capital Stock

Dynasty was incorporated on April 23, 1964, as a specially limited company with shares of a par value of 50¢ each, and on January 26, 1966, was converted from a specially limited company to a limited company with shares of $2 par value each.

Prior to conversion Dynasty had issued shares as follows:

Shares		Consideration	$
1,407,200		Cash	703,600
750,000		Mineral properties	375,000
85,300		Services	42,650
2,242,500			1,121,250
	Less:	Discount on 1,575,000 shares	417,700
			703,550

Subsequent to conversion Dynasty has issued shares as follows:

Shares	Consideration	$
150,000	Cash	300,000
85,400	Cash	85,400
	Covenants and commitments (note 2(b) (i))	85,400
2,477,900		1,174,350

Pursuant to the master agreement dated December 4, 1965, (note 2) Dynasty has agreed to offer to Cyprus, on the occasion of each new issue of Dynasty's equity securities, 20% of the total of such new issues on the same terms as such issues are offered to others.

6. Contributed Surplus

Contributed surplus arose during the year ended August 31, 1966, being the excess of proceeds of sale over par value of 817,500 shares of capital stock.

7. Anvil Financing

In order to maintain its interest of 40% in Anvil Mining Corporation Limited (represented by 600,000 shares of Anvil), Dynasty has agreed with Cyprus Mines Corporation (the owner of 60% interest of Anvil) to advance to Anvil $5,600,000 (U.S.) by June 1, 1968, for which Dynasty will receive $5,600,000 (U.S.) principal amount of 7½% Income Bonds, Series D, of Anvil. To the extent that Dynasty advances less than the required amount, its equity in Anvil will be reduced pro rata, but in any case it will not be reduced below 30%.

8. Remuneration of Directors and Senior Officers

During the period no directors' fees were paid. Remuneration paid to directors in their capacity as officers of Dynasty, to consulting companies controlled by them and to senior officers amounted to the following:

	$
April 23, 1964, to August 31, 1965	62,489
Year to August 31, 1966	41,890
16 months to December 31, 1967	19,745
	124,124

9. **Pro Forma Balance Sheet**

The pro forma balance sheet gives effect to the following:

(i) Sale by Dynasty to Richardson Securities of Canada, as underwriter, pursuant to an agreement dated March 29, 1968, for $6,175,000 of units comprising:

7% Convertible Collateral Income Debentures having a face value of $6,500,000

260,000 shares of the par value of $2 each

(ii) Application of proceeds of $6,175,000 from sale of units:

	$
Purchase of $5,600,000 (U.S.) principal amount of 7½% Income Bonds, Series D of Anvil Mining Corporation Limited (converted on basis of $1.00 U.S. equals $1.0811 Canadian)	6,054,000
Increase in working capital	121,000
	6,175,000

(iii) Cost of financing, written off to contributed surplus:

Discount on issue of Debentures	520,000
Underwriting commission	325,000
Estimated expenses—paid out of Dynasty's working capital	40,000
	885,000

Note: 520,000 shares will be reserved for the conversion privilege.

AUDITORS' REPORT TO THE SHAREHOLDERS OF ANVIL

We have examined the balance sheet of Anvil Mining Corporation Limited as of December 31, 1967, and the statements of exploration and development costs and administrative costs for the two years and one month then ended and source and use of working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of exploration and development costs, administrative costs and source and use of working capital, when read in conjunction with the notes thereto, present fairly the financial position of the company as of December 31, 1967 and the results of its operations for the two years and one month then ended and the source and use of working capital for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Vancouver, B.C.
January 26, 1968.

(Signed) COOPERS & LYBRAND
Chartered Accountants

Anvil Mining Corporation Limited
Balance Sheet As At December 31, 1967
(Canadian Funds)

Assets

	Cost	Accumulated Depreciation	Net	
Current Assets			$	$
Cash			597,922	
Advances to contractor			216,427	
Accounts receivable			85,128	899,477
Investment in Pelly River Mines Limited (N.P.L.) — at cost (notes 1 and 2)				107,131
Mineral Properties — at cost of claims purchased and nominal value of $1 each for claims staked (note 1)				4,247
Fixed Assets (note 3)				
Land	3,405		3,405	
Equipment and buildings	739,494	332,775	406,719	
Construction in progress	6,750,779		6,750,779	
	7,493,678	332,775		7,160,903
Deferred Costs (notes 1 and 3)				
Exploration and development			5,210,669	
Administrative			1,217,868	
Feasibility study			1,218,017	
Preproduction stripping			146,072	
Incorporation and organization			3,196	7,795,822
				15,967,580

Liabilities

Current Liabilities		
Accounts payable and accrued liabilities		627,616
Mortgages Payable		59,120
Long-Term Debt (notes 3 and 4)		
Cyprus Mines Corporation	13,669,472	
Dynasty Explorations Limited	250,000	13,919,472
		14,606,208

Shareholders' Equity

Capital Stock (note 5)		
Authorized — 10,000,000 common shares without nominal or par value, maximum price or consideration $1 per share		
Issued and fully paid — 1,500,000 shares	1,300,000	
Contributed Surplus	61,372	1,361,372
		15,967,580

Signed on behalf of the Board:

Aaro E. Aho
John Bruk
} Directors

Anvil Mining Corporation Limited

Statement of Source and Use of Working Capital

For the Year Ended December 31, 1967

	$	$
Source of Working Capital		
Loans from Cyprus Mines Corporation	10,094,472	
Proceeds from sale of fixed assets	2,228	
Mortgage borrowings	59,120	10,155,820
Use of Working Capital		
Advances to Pelly River Mines Limited (N.P.L.)	5,271	
Acquisition of mineral properties by staking, at a nominal value of $1 per claim	113	
Purchase of fixed assets	7,088,671	
Deferred exploration and development costs (less depreciation of $179,749 and lapsed mineral claims of $584, not requiring an outlay of working capital)	1,237,914	
Deferred administrative costs (less depreciation of $1,993 and loss on disposal of fixed assets of $236, not requiring an outlay of working capital)	726,318	
Deferred feasibility study costs	569,415	
Deferred preproduction stripping	146,072	9,773,774
Increase in Working Capital		382,046
Working Capital Deficiency — Beginning of Year		110,185
Working Capital — End of Year		271,861
Represented By:		
Current assets		899,477
Less: Current liabilities		627,616
		271,861

Anvil Mining Corporation Limited

Statement of Exploration and Development Costs

To December 31, 1967

	Total to December 31, 1966 $	For the year ended December 31, 1967 $	Total to December 31, 1967 $
Adit	162,085	162,381	324,466
Aerial photography	7,413	53	7,466
Assaying	71,672	36,196	107,868
Assessment fees	66,628	26,857	93,485
Camp services	378,401	190,220	568,621
Coal leases	5,068	6,256	11,324
Communications and expediting	12,286		12,286
Depreciation	149,713	179,749	329,462
Drilling	1,004,931	383,140	1,388,071
Equipment operation and maintenance	279,098		279,098
Insurance	17,358	22,055	39,413
General	13,816	13,693	27,509
Geology	76,815	33,590	110,405
Geophysics and geochemistry	285,261	64,862	350,123
Helicopter charter	202,938	89,652	292,590
Linecutting	50,122	37,509	87,631
Road building	172,548	44,625	217,173
Staking fees	99,588	1,938	101,526
Supplies		61,930	61,930
Surveying	138,095	21,690	159,785
Transportation	199,118	41,380	240,498
Wages	498,674		498,674
	3,891,628	1,417,776	5,309,404
Less portion of costs:			
Applicable to Pelly River Mines Limited (N.P.L.) claims	96,588		96,588
Assigned to mineral properties as nominal value	2,618	(471)	2,147
	99,206	(471)	98,735
	3,792,422	1,418,247	5,210,669

Anvil Mining Corporation Limited

Statement of Administrative Costs

To December 31, 1967

	Total to December 31, 1966 $	For the year ended December 31, 1967 $	Total to December 31, 1967 $
Administration fees	45,210		45,210
Advertising	5,970	16,784	22,754
Audit and accounting	14,224	7,508	21,732
Consulting fees	13,952	47,034	60,986
Depreciation	1,887	1,993	3,880
Expediting charges and fees	5,914		5,914
Finance charges and interest	2,593	144,929	147,522
Freight and cartage	1,533	795	2,328
Legal	51,830	117,133	168,963
Office	51,087	29,218	80,305
Personnel recruitment	12,443	7,737	20,180
Salaries	212,824	271,396	484,220
Telephone and telegraph	18,302	21,159	39,461
Travel	54,966	62,861	117,827
	492,735	728,547	1,221,282
Less: Portion of costs applicable to Pelly River Mines Limited (N.P.L.)	3,414		3,414
	489,321	728,547	1,217,868

Anvil Mining Corporation Limited
Notes to Financial Statements
As At December 31, 1967

1. Values

The amounts shown for investment in and advances to Pelly River Mines Limited (N.P.L.), mineral properties, and deferred costs, represent nominal values assigned and/or costs to date and are not intended to reflect present or future values.

2. Investment in and Advances to Pelly River Mines Limited (N.P.L.)

The company owns 1 million shares representing 57% of the issued common stock of Pelly River Mines Limited (N.P.L.). Pelly River Mines Limited (N.P.L.) is in the business of exploration and development of mineral properties. It has not had any profits or losses since its inception and its assets and liabilities are immaterial in relation to those of the company. Accordingly, consolidated financial statements have not been prepared.

3. Construction and Production Agreement

The company has entered into agreements providing for the construction of an ore concentrator and related facilities, sale of concentrates, inland transportation of concentrates and matters relating to road and townsite construction. The total project cost, including preproduction and development, is estimated to be approximately $60,000,000 Canadian.

4. Long-Term Financing

For purposes of carrying out the preproduction, development and construction program, the company has arranged long-term financing as follows:

(a) Bank loans — $42,000,000 U.S. (approximately $45,360,000 Canadian) at 7½% per annum ranking first in security and in priority for repayment out of all net operating profits. No amounts have been advanced as at December 31, 1967.

(b) Shareholders' loans — $17,250,000 U.S. (approximately $18,640,000 Canadian) ranking second in security and in priority for repayment out of a minimum of 80% of net operating profits to be borrowed and repaid in the following order of priority:

(i) $9,250,000 U.S. (approximately $10,000,000 Canadian) by Cyprus Mines Corporation with interest on $4,475,000 Canadian at 6% per annum and on $5,525,000 Canadian at 7¼% per annum.

(ii) $8,000,000 U.S. (approximately $8,640,000 Canadian) by Cyprus Mines Corporation and Dynasty Mines Limited, in ratio as provided by the agreement, with interest at 7½% per annum, subject to conversion to Subordinated Debt Securities (including Subordinated Income Debentures).

$17,250,000 U.S. in total

As at December 31, 1967, Cyprus Mines Corporation has advanced $10,000,000 Canadian under (i) above and $3,669,472 Canadian under (ii) above. As the first interest payment is not due until after the date of repayment of the bank loans, interest, amounting to $564,000 Canadian to December 31, 1967, has not been accrued in the accompanying financial statements.

In addition, the company has agreed to pay Dynasty Explorations Limited $250,000 without interest, out of net operating profits, payment priority ranking after (b) (i) above, but before (b) (ii) above.

5. Restrictions on Dividends and Capital Stock

Long-term financing agreements provide restrictions relative to the payment of dividends and the reduction of outstanding capital stock.

6. Contributed Surplus

Contributed surplus of $61,372 as at December 31, 1967 represents $311,372 in exploration, development and administrative expenses incurred by Dynasty Explorations Limited on the mineral claims acquired by the company less the liability to reimburse $250,000 to Dynasty Explorations Limited, now recorded (note 4), all pursuant to the joint venture agreement.

CERTIFICATE OF DYNASTY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, by Part VII of The Securities Act, 1967 (British Columbia) and the regulations thereunder, by Part VII of The Securities Act, 1967 (Alberta) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, and by Section 13 of the Securities Act (New Brunswick) and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Dated: March 29, 1968.

(Signed) Aaro E. Aho
Chairman of the Board
President
Chief Executive Officer

(Signed) R. V. Markham
Vice-President—Finance
Chief Financial Officer

DIRECTORS

(Signed) Aaro E. Aho

(Signed) R. V. Markham

(Signed) R. E. Gordon Davis

(Signed) John Bruk

PROMOTERS

(Signed) Aaro E. Aho

(Signed) R. V. Markham

(Signed) R. E. Gordon Davis

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and regulations thereunder, by Part VII of The Securities Act, 1967 (British Columbia) and regulations thereunder, by Part VII of The Securities Act, 1967 (Alberta) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, and by Section 13 of the Securities Act (New Brunswick) and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

Dated: March 29, 1968.

RICHARDSON SECURITIES OF CANADA

By: (Signed) H. R. Whittall

The following includes the name of every person having an interest, either directly or indirectly, to the extent of not less than 5 per cent in the capital of Richardson Securities of Canada: James A. Richardson and George T. Richardson.

42. **STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL**

as of 1 September, 1968

	Shares	Shares
FREE STOCK		
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees)	2,542,665	
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees	195,235	
Total free stock		2,737,900
ESCROWED OR POOLED STOCK		
(c) Held in escrow or pool as set out in Item 19 of this application		
Total issued capital		2,737,900
RECORD OF SHAREHOLDERS		
Number of registered shareholders holding shares in class (a) above		2,800
Number of registered shareholders holding shares in class (b) above		3
Number of registered shareholders holding shares in class (c) above		Nil

43. **STATEMENT SHOWING NUMBER OF SHAREHOLDERS**

as of 5 September, 1968

Number		Shares
936	Holders of 1 — 99 shares	36,499
1,478	" " 100 — 499 "	225,290
170	" " 500 — 999 "	99,541
111	" " 1000 — 1999 "	131,985
29	" " 2000 — 2999 "	65,000
16	" " 3000 — 3999 "	53,885
9	" " 4000 — 4999 "	38,900
54	" " 5000 — up "	2,086,800
2,803	Stockholders Total Shares	2,737,900

Dated at Vancouver, B.C. the 30th day of September, 1968

{ Corporate Seal }

DYNASTY EXPLORATIONS LIMITED

"A. E. AHO", President

"JOHN BRUK", Secretary

CERTIFICATE OF UNDERWRITER/OPTIONEE

(NOTE—Not applicable with respect to incentive or employee options)

To the best of my knowledge, information and belief, all of the statements and representations made in this listing application and in the documents filed in support thereof are true and correct.

RICHARDSON SECURITIES OF CANADA

By:

"H. R. WHITTALL"

FINANCIAL STATEMENTS

DYNASTY EXPLORATIONS LIMITED

BALANCE SHEET

AS AT SEPTEMBER 30, 1968

ASSETS

CURRENT ASSETS			
Cash		$ 34,802	
Accounts Receivable		8,376	$ 43,178
LOANS AND ADVANCES RECEIVABLE			
Atlas Explorations Limited (N.P.L.)			557,401
INVESTMENTS			
Anvil Mining Corp. Ltd. — Series D - 7½% Income Bonds		$6,070,750	
— Accrued Interest Series D Bonds		189,711	
— Series C - General Mort. Bonds		250,000	
— 600,000 Common Shares		375,958	
		$6,886,419	
Atlas Explorations limited (N.P.L.) — 400,166 shares (Mkt. Value $1,020,423)		1,446,620	
Paramount Mining Ltd. (N.P.L.) — 72,300 shares (Mkt. Value $51,333)		61,123	
Westrim Mining Corp. Ltd. (N.P.L.) — 135,000 shares (No quoted value)		19,000	8,413,162
FIXED ASSETS			
Office Equipment (net)		$ 16,901	
Leasehold Equipment (net)		47,739	64,640
OTHER ASSETS			
Organization Costs		$ 6,629	
Discount on Debentures		520,000	
Unamortized Financing Costs		387,144	913,773
TOTAL ASSETS			$9,992,154

LIABILITIES

CURRENT LIABILITIES			
Accounts Payable			$ 11,039
LONG TERM LIABILITIES			
7% Convertible Collateral Income Debentures		$6,500,000	
Accrued Interest		189,583	6,689,583
CAPITAL (authorized 10,000,000 @ $2.00 p.v.)			
Issued and fully paid — 2,737,900 shares			1,694,350
SURPLUS			
December 31, 1967		$1,611,169	
DEDUCT: Current Year's Deficit	$13,902		
Loss on sale of Fixed Assets	85	13,987	1,597,182
TOTAL ASSETS			$9,992,154

DYNASTY EXPLORATION LIMITED

"AARO E. AHO", Director

"R. E. GORDON DAVIS", Director

DYNASTY EXPLORATIONS LIMITED

STATEMENT OF EARNINGS

for Nine Months ended September 30, 1968

Interest Earned on 7½% Income Bonds		$ 189,711
Interest Earned on Loans and Advances		28,125
Gross Revenue		217,836
DEDUCT: Interest Payable on 7% Debentures	$ 189,583	
Operating Expenses for Period	42,155	231,738
Net Operating Loss		$ 13,902
FUNDS USED IN OPERATIONS		
Net Operating Loss		$ 13,902
Items not representing a source or use of funds:		
ADD: Interest Earned	$ 189,711	
LESS: Interest Payable	189,583	128
		$ 14,030
DEDUCT: Depreciation		9,690
Funds Used in Operations		$ 4,340

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for Nine Months Ended September 30, 1968

SOURCE OF FUNDS		
Sale of Units Consisting of:		
— 7% Convertible Collateral Income Debentures	$5,980,000	
— 260,000 shares @ $2 Par Value	520,000	$6,500,000
Net repayments of loans and advances		27,575
Sale of Investments		9,038
Sale of Fixed Assets		338
		$6,536,951
USE OF FUNDS		
Funds Used in Operations	$ 4,340	
Anvil Mining Corporation Ltd. 7½% Income Bonds, Series D, acquired	6,070,750	
Other Investments	70,161	
Fixed Asset additions	1,535	
Debenture financing costs of $907,144 less $520,000 being the debenture discount which does not require an outlay of working capital	387,144	$6,533,930
INCREASE IN WORKING CAPITAL		3,021
WORKING CAPITAL — BEGINNING OF PERIOD		29,118
WORKING CAPITAL — END OF PERIOD		$ 32,139
REPRESENTED BY		
Current Assets		$ 43,178
LESS: Current Liabilities		11,039
		$ 32,139